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EIC INTERNATIONAL TRADE AND FINANCE SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: Prentice N. Dean, Foreign Economic Defense Affairs Division, OASD(ISA)

Question 1: What is value of work of subcommittee?

Comment: This subcommittee deals chiefly with the statistics of trade and balance of payments of the Soviet World; i.e., U.S.S.R. and its satellites. My office has been of no assistance in the task of arriving at such statistics and finds little use for them. The conclusion would seem to be that the work of this subcommittee is of little value to the foreign economic policy activity regardless of how valuable it may be to other segments of the government.

Question 2: Should the subcommittee be continued?

Comment: I would judge there was little need for our office to continue participation on the subcommittee. Whether or not the committee should be continued would seem to depend upon the answers of others to Question 1.

Question 3: If continued, what should be its future work?

Comment: I do not see any particular need for this subcommittee other than its present task.

Question 4: What have been major faults, if any, of subcommittee and what corrections are suggested?

Comment: I would judge the subcommittee to have performed its work competently. Meetings have averaged two or three a year; they are efficiently run but only a minority of those present, who are specialists in the field, have much to offer.

Additional Comments: In addition to the comments submitted above by Mr. Dean, our East-West trade people feel that this subcommittee could perform a valuable function of concern to their activities. The trends and changes in direction of Bloc trade and investment often may be indicators of political and economic pressures and deliberate decisions which, in the interests of free-world security, require counter actions.

**OSD Declassification/Release Instructions on File**

TAB A

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EIC TRANSPORTATION SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: H. Frank McGaffrey, Foreign Economic Defense Affairs Division, OASD(ISA)

Question 1: What is value of work of subcommittee?

Comment: The work of this subcommittee can be very valuable. It can secure from the various intelligence agencies and sources information on transportation within the Sino-Soviet bloc. It serves as a clearing house for this information and forwards it to EIC. It is also valuable to us in our work having to do with shipping and general transportation problems.

Question 2: Should the subcommittee be continued?

Comment: The subcommittee should be continued.

Question 3: If continued, what should be its future work?

Comment: Its future work should follow along the lines of the terms of reference adopted either in late 1950 or early 1951.

Question 4: What have been major faults, if any, of subcommittee and what corrections are suggested?

Comment The major faults appear to be:

- (1) Irregularity and small number of meetings held;
- (2) The length of time it takes to complete a final report;
- (3) Failure to take action when important gaps and deficiencies in the collective knowledge of the Government on transportation problems are identified.

Corrections recommended are:

- (1) Designate a regular time for meetings, at least one each month.
- (2) Frankly discuss with members of the Working Group or their official superiors the question of allotting time of the Working Group members to complete reports within a reasonable deadline;
- (3) It was admitted in the last meeting that action had not been taken in some instances due to lack of available time of members. It appears that this action might be expedited by discussions as proposed in the previous subparagraph.

TAB B

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EIC CHEMICALS SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: Frederick D. Bates, Materials Branch, OASD(S&L)

General Comment: The writer has not been notified of any meetings of this sub-committee for over a year, and so presumes the committee has not met. In view of this fact, there would seem to be some doubt as to the necessity for the continuation of subject committee.

TAB C

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EIC PETROLEUM SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: Ira L. Solovey, Petroleum Logistics Division, OASD(S&L)

Question 1: What is value of work of subcommittee?

Comments: In essence, the questions posed were frankly discussed at the last meeting of the subcommittee, held on 16 August 1955. It was the general consensus that the Annual Review of Activities and Accomplishments for Fiscal Year 1955, submitted to the parent Committee, includes a candid evaluation of the role of this subcommittee in the intelligence community. (See Question 4 also)

From the standpoint of consumer interest, the Petroleum Logistics Division finds the work of the subcommittee of benefit and interest. It is the only joint group whereby intelligence problems and matters may be discussed on a collective basis, a medium which is of value to the broad interest of this office.

Question 2: Should the subcommittee be continued?

Comment: It is recommended that the EIC Petroleum Subcommittee be continued.

Question 3: If continued, what should be its future work?

Comment: See Question 4.

Question 4: What have been major faults, if any, of subcommittee and what corrections are suggested?

Comment: The Subcommittee recognizes it has not realized its full potential as a medium for improving intelligence research; however, it has advanced and improved the development of petroleum intelligence in some areas. In addition, the mechanism offered by a committee of this nature will serve to reduce overlapping and duplicative efforts within the intelligence community. It is planned to accelerate committee activities and interest; meetings will be held at more frequent intervals.

TAB D

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EIC METALS AND MINERALS SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: Dr. R. B. McCormick, Materials Branch, OASD(S&L)

Question 1: What is value of work of subcommittee?

Comment: Since it has been almost a year since the subcommittee was called together for a meeting, it is obvious that the value of the subcommittee work is not great. Prior to the last meeting, the subcommittee did lay out a program of proposed intelligence research on metals and minerals which the writer believes was of some value as guidance to the CIA staff.

Question 2: Should the subcommittee be continued?

Comment: Since no meeting has been called for such a long period of time, it appears as if CIA has little or no further use for the subcommittee and the writer sees no reason why it should not be discontinued.

Question 3: If continued, what should be its future work?

Comment: See 2. above.

Question 4: What have been major faults, if any, of subcommittee and what corrections are suggested?

Comment: Since the work of the subcommittee was to review gaps in intelligence and propose a research program to be followed to fill these gaps, the writer feels that the work of the subcommittee has largely been completed. The writer knows of no particular faults insofar as the subcommittee is concerned. Unless the CIA staff desires further interagency advice, on the basic question for which the subcommittee was originally established, the writer sees no reason for continuation of the subcommittee on the books.

TAB E

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EIC INDUSTRIAL MACHINERY AND EQUIPMENT SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: John H. Williams, Production Equipment Branch, OASD(S&L)

Question 1: What is value of work of subcommittee?

General Comment: As an Associate Member of EIC subcommittee the writer has been utilized regarding technical advice, and this advice has been readily accepted and utilized to the maximum extent possible. It is believed that any time and effort that has been spent in this direction has been well worth while and should be continued. The only suggestion that could be submitted that could possibly assist would be, prior to any formal meeting, that each Agency represented on the subcommittee, present their position and conclusion on the subjects to be discussed to the other members. This would enable the representatives to have in mind and also be in a position to present any argument that would either confirm or reject the position of each Member. Many times when attending the meetings, positions are presented by other Agencies and the OSD members do not have sufficient time to completely study the proposal and present our position.

TAB F

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EIC ELECTRIC POWER AND SOLID FUELS SUBCOMMITTEE

OSD COMMENTS

OSD MEMBER: George A. Grimm, OASD(P&I)

Question 1: What is value of work of subcommittee?

Comment: The work of this subcommittee has been very valuable in reviewing the areas of intelligence and pointing-up the areas of deficiencies.

Question 2: Should the subcommittee be continued?

Comment: The time limitation has permitted only the review of intelligence data in one of four categories. It is my opinion that the subcommittee should continue until review of all four categories has been completed.

Question 3: If continued, what should be its future work?

Comment: If the subcommittee is continued, it should complete the first assignment; then continue the second phase pertaining to the cataloguing of intelligence data in order to make it more useful.

Question 4: What have been major faults, if any, of subcommittee and what corrections are suggested?

Comment: The nature of the subcommittee's assignments requires a slow tedious schedule; therefore, accomplishments appear to be slow. I know of no major fault in the process and I believe that a continuation would produce the desired results.

General Comment: I personally feel that the work of the subcommittee has been very beneficial.

TAB G

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